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RIYADH FOR RUSS HANKS

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SUBJECT: NIGERIA: RECENT EVENTS TEST NIGERIA'S RESILIENCE

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- 11. (C) Summary: Nigeria has seen its share of calamity and contention in recent months. The Ikeja cantonment explosion, abortive police and general strikes, and an electoral law enmeshed by controversy have decreased public confidence in the Government's competence and have added to a general skepticism about the country's direction. From the unrest in Jos last September to February's Yoruba-Hausa bloodletting in Lagos, episodes of communal violence have claimed at least 4,000 lives, a figure rivaling casualty counts for nations suffering low intensity warfare. The December assassination of Attorney General Ige heralds to many Nigerians that resort to violence to settle political disputes will increase as the 2003 elections draw near. Ethnicity, regionalism and, to some extent, religious intolerance have become more virulent, further tainting the political discourse while electoral considerations will likely increase government spending despite the reality that the economy will be hard pressed to approximate last year's modest growth.
- $\underline{\P}2$. (C) Summary Continued: The picture painted above is long on difficulties, short on optimism. The honeymoon occasioning the return of civilian rule not only is over, for many it is forgotten. Left remaining are the stark realities of weak democratic institutions and traditions, a near-unprecedented sense of public insecurity, a stagnant economy and a combative and fragmented political culture. Because confrontation is an ingrained aspect of most social and political exchange, controversy and violence are frequent by-products of the working of institutions usually associated with the peaceful resolution of political disputes in more mature democracies. However, due to their frequency, these social and political conflicts have less impact than outside observers might think. In other words, Nigeria is experiencing political decline but meltdown is not imminent, nor are people panicking, nor is the decline necessarily irreversible. Nigerians have been on this roller coaster before. Nevertheless, levelheaded Nigerians are worried. Unless a carminative is taken to purge politics of its dyspepsia (primarily by making electoral preparations transparent and neutral) and to improve the security situation, the electoral season will likely spawn more violence and shrill cries from government opponents that the electoral fix is on. This will complicate the task of governance, bringing the Obasanjo Administration's legitimacy and the propriety of the democratic experiment in Nigeria into very serious question. End Summary.

NOT A HAPPY PICTURE

13. (C) Last November, we reported that Nigeria had hit a very troubling period, described by some as the most violent period since the civil war (reftel.) Religious and ethnic violence in Jos, Kano, the eastern Middle Belt and Lagos, and intermittent outbursts in the South-South coupled with internecine squabbling within the ruling party had engendered a feeling of widespread public insecurity and concern about the lack of domestic policy focus of the Government. The controversy over the electoral law raised the specter that Obasanjo was trying to fix the 2003 election. At that time, we stated tensions would mount unless political elites stopped seeing brinkmanship as their primary vocation and until Government devised a strategy for enhancing security by minimizing communal Since then, misstep, misfortune and mistake have violence. dogged Nigeria even further.

- 14. (C) President Obasanjo and restive political elites have not made the needed adjustments either to the substance or style of their political debate and conduct. Continuation of business as usual is a major factor in the steady turning of the Nigerian situation from bad to worse. While the AD might be even more fractious, the squabbling within the ruling PDP demonstrates the impediments to effective governance produced by a combative political culture. Since the PDP is the dominant party, it sets the tone in the political and electoral arena. In so many instances, the winner of the PDP nomination will be considered the presumptive victor in the general election. Because of this, competition within the PDP often approximates what is usually seen in inter-party rivalry.
- 15. (C) For its November convention, the PDP leadership orchestrated a display of unity that turned acrimony into a festive event. The naming of well-respected Audu Ogbeh to replace the embattled Barnabas Gemade as PDP National Chairman was to augur harmony. However, the reconciliation was brief. By early December, the President was mired in controversy over the inclusion of a restriction against new parties in the electoral law. Friction turned to heat as Obasanjo attributed authorship of the noxious provision to House Speaker Na'abba while Na'abba pointed fingers at Obasanjo and Senate President Anyim. Anyim, widely regarded as Obasanjo's loyal minion, was hounded in the press. Some Senate colleagues called for his impeachment. PDP Chairman Ogbeh tried to reconcile the trio, but failed. The Presidency and the PDP were able to stave an inchoate rebellion in January to eject Anyim from the Senate Presidency in Nigeria's most common fashion; according to many observers, they paid for it, doling out funds to key Senators to make sure Anyim stayed put. The Senate leader's removal would have been a blow to the President, and an equally low blow to the Senate, which has removed two Senate Presidents in the past two years.
- 16. (C) The electoral law kindled the disunity Obasanjo and other politicians said they wanted to avoid. Ironically, this attempt by the Presidency to maximize its political and electoral advantage by unilaterally (and surreptitiously) amending the law failed. Neglect of the political interests of other aspirants for office whose destinies would be affected by the law doomed the measure ab initio. By trying to finesse via legislation what was essentially a political question, the Presidency created an unnecessary political storm that continues to rage. With the PDP's top three elected officials engaged in a triangle of recrimination, other latent PDP squabbles resurfaced.
- 17. (C) The factionalism that plagued the party in many states, particularly in the Southeast, before the November convention returned with the vigor of pent-up energy. Fists and gunshots were exchanged between rival Anambra State factions at a PDP national meeting in January. Key party figures groused that Obasanjo was attempting to control party nominations at all levels. More than once, several governors, many fearing they were on Obasanjo's blacklist, met behind closed doors to discuss ways to secure their positions. By January, more independent-minded thinkers in the party were saying what was generally unthinkable a year ago: that Obasanjo should not seek reelection because he was a major reason for the country's political troubles. Around the same period, former Kano State Governor Mohammed Abubakar Rimi formally announced his candidacy for the Presidential nomination. Since then, the vociferous Rimi has been fustigating Obasanjo, calling him unfit for office and the author of the Nigeria's woes.
- 18. (C) After years of military rule, many Nigerian's are not accustomed to "subordinates" publicly saying that their boss, especially a Head of State, should quit. Thus, public talk by PDP members that Obasanjo should forego the 2003 election ironically has a conspiratorial ring to some. Psychologically, it is the political equivalent of coup plotting. People are asking themselves if PDP politicians have become so bold as to attack Obasanjo so openly, what is happening when the politicians met behind closed doors? Adding to the sense of unease, people also wonder, how does the military view this lack of discipline within the political ranks?
- 19. (C) While the PDP seems in danger of devouring itself, the two other registered parties are too weak, enervated and afflicted by their own brand of factionalism to exploit

the PDP's self-flagellation. Thus far, neither of the two nor any of the unregistered parties has painted an alternative picture of governance and internal unity to attract the public. (Better competition from the other parties would also force the PDP, which now considers itself the only game in town, to straighten its act somewhat.) The major story with the unregistered parties has been whether former Head of State Babangida will emerge as a presidential candidate. The Babangida aura mesmerizes some; but for most democratic-minded Nigerians, his name is synonymous with military rule, drift, waste and corruption. For them, even talk of his candidacy is considered a retrograde step.

- 110. (C) By re-igniting the antipathy between Obasanjo and House Speaker Na'abba, the electoral law fracas strained relations between the Executive and the Lower House. Reconvening late January, one of the House's first orders of business was to debate the state of the nation. Spiced by media revelations that some lawmakers favored impeachment proceedings against the President, the debate pilloried Obasanjo. The representatives blamed Obasanjo for much of the nation's woes, from poverty to corruption to communal violence. Apparently upset by the House debate, Obasanjo withheld the lawmakers' salaries under the pretext that they failed to comply with his request for them to disclose fully their pay and emoluments. Continuing the tit-for-tat, the Representatives have filed suit and delayed consideration of the federal budget until Obasanjo releases the monies.
- 111. (C) Characteristic of Nigerian politics, both sides dug in their heels after taking confrontational positions. Because both sides took positions where yielding meant loss of face, third party intercession became necessary. Again enter PDP Chairman Ogbeh, this time in concert with Senate President Anyim. The two men shuttled between the Villa and the House to end the standoff. After few weeks of tugging, the duo softened Obasanjo to the point of agreeing to partial payment of salaries and succeeded in temporarily quashing anger in the Assembly that was beginning to spur renewed chatter by some members about impeachment proceedings.
- 112. (C) The bickering makes for good drama; however, the discord reinforces the public perception of a dysfunctional federal government in Abuja. The debate on his leadership and talk of impeachment contribute to the sense that Obasanjo is vulnerable. Obasanjo now has to protect himself from former supporters who think they can gain political capital by using his name as fodder. Likewise, Obasanjo is playing hardball politics and lashing out at critics in ways less than presidential. What Obasanjo and many of his ardent opponents fail to recognize is that their brawling continues to consume too much space on the political agenda. More so now than just three months ago, the public is dissatisfied with what they view as government mismanagement of the nation. Too many Nigerians feel the politicians have had sufficient time to find their direction. The reason they have not done so is because they are hopelessly venal as a class. Most people believe a major change is needed, but a lot of Nigerians are at a loss as to what that change should be and how it should come.

COMMUNAL VIOLENCE MAKES THE GOVERNMENT LOOK INEPT

- 113. (C) The early February clashes in Lagos reinforce the belief that the Federal Government is unable to protect the lives and meager property holdings of average Nigerians. Moreover, every instance of violence increases ethnic, religious and regional tension. With each clash, the group feeling victimized criticizes the Federal Government as uncaring about its suffering or even accuses it of being supportive of the "aggressor" group. To bolster their popularity, political figures are appealing to divisive and parochial interests. They demagogically blame the Federal Government and its alleged bias for others as a reason for their groups problems. The salience of ethno-regional organizations such as Ohaneze Ndigbo (Igbo-Southeast), Afenifere (Yoruba-Southwest) Arewa Consultative Forum (ACF) (North, Hausa-dominated) has increased in this milieu.
- 114. (C) The Federal Government has not helped matters by openly criticizing these organizations as being sources of divisiveness in national politics. These groups have responded that they are forced to protect the interests of

their "people" because of the inaction of the Federal Government. For example, in the wake of the Yoruba/Hausa clash in Lagos, the ACF issued a statement blaming the Federal and Lagos State Governments for being pro-Yoruba and lenient to Yoruba miscreants while not protecting Hausa residents. This was the latest of a string of ACF statements castigating the Administration for neglecting Northern interests. Other groups perceive the federal government as turning its back as well. Tivs in Benue complain they are still being targeted by federal soldiers and that they will take matters into their own hands to protect their ethnic brethren. While the government has established various commissions to examine instances of communal violence, it seems incapable of developing a consensus strategy to reduce the occurrences. Because of the perceived government inability, ethnic and regional chauvinism have increased as groups threaten to take the law into their own hands to protect their own. If these feelings are not stemmed, they will feed violence and further fuel anti-government sentiment along ethnic and regional lines.

OF THINGS TO COME -- ELECTORAL VIOLENCE?

115. (C) Hyperbole, although now at a heightened level, is the usual fare in Nigerian politics. However, the December 23 assassination of Attorney General Bola Ige brought something more troubling to the mix. Most likely the result of escalation in the rivalry between the Osun Governor and his Deputy, the murder shocked Nigerians. Some try to wish it away as an aberration; others hope it is a lesson that will force the political class to modulate its tone. Uncharitably, more than a few non-Yorubas see in Ige's death evidence of the depravity of intra-Yoruba politics and a lesson that Yorubas, including Obasanjo, make bad politicians. However, many sober-minded Nigerians fear the assassination is a harbinger for elections to come. If political competition more than a year away from the actual polling can result in the death of a Cabinet Minister, what will be the level of violence when elections draw near? Instances of intramural violence in the PDP, particularly in the Southeast, underscore the fear that violence and elections are close companions in the Nigerian context. That a significant factor in the unrest in the Benue, Taraba, Nasarawa triangle is competition for control of local government areas also lends credence to the notion that violence and electoral politics go together.

REALLY THE WRONG TIME -- IKEJA

- 116. (C) There never is an opportune time for tragedy, but the Ikeja explosion was more than untimely. Already nursing its many self-inflicted wounds, the Government was not prepared to react quickly to Ikeja. The cantonment was a latent crisis inherited from the military. While the Obasanjo Administration should not be blamed for the problem, the unpredictable explosion -- coming after many other recent troubles -- sent the impression to a populace that believes in omens that the Administration was doomed.
- 117. (C) Obasanjo's initial poor handling of the crisis, especially his public remarks that he did not want to visit the disaster area made him look callous. Subsequent excuses that he had not been informed that anyone had died, only made him look feckless. The (for Nigeria) massive sums announced for relief assuaged some anger but did not address the underlying perception of Government's lack of compassion for the governed. Ironically, the more conspiratorially-minded concluded that the Government might have literally dodged a bullet because a coup attempt had been foiled by the clumsiness of coup plotters mishandling ordnance stored at the depot.

THE ECONOMY-- A LEAN YEAR IN THE MAKING

118. (C) On the economic front, a soft global economy depresses demand for oil, Nigeria's economic mainstay. To help OPEC keep prices stable, Nigeria must cooperate in production cutbacks. Government spending must therefore shrink in proportion to its revenues to avoid a huge deficit. In part to save money, the government reduced the subsidy on fuel in January, causing a price hike. Not only did fuel prices increase by about 20 percent, the price of many commodities climbed sharply and transportation costs nearly doubled in some areas as opportunistic transport

operators sought to gouge the public and deflect blame onto the GON. Stung by the price hike and by the failure of government to honor its 2000 promise to increase the minimum wage, the Nigerian Labor Congress called a national strike. The strike fizzled after two days primarily due to lack of public enthusiasm. The Government helped kill the strike by arresting NLC leaders. While its tactics helped muzzle the strike, the Administration's adamant refusal to negotiate any aspect of the price hike and its timing caused the NLC leadership to lose face, straining the relationship between government and labor.

- 119. (C) Heavy-handedness was also evident in the government's response to the unprecedented police strike, just a few weeks after the general labor action. Junior police officers organized the nationwide strike, protesting non-payment of allowances for several months. The strike was honored in Lagos and several other states. Government acted swiftly to quell the strike, perhaps fearing an increase in lawlessness should the strike hold. The strike's architects were arrested and charged with mutiny. Dangling a carrot, the Government promised partial payment of the arrearages. While the combination of coercion and payment ended the strike, it did not resolve the gripes of police officers. Again, by intimidating the strikers, the government damaged the morale of an institution crucial to democracy while also harming the relationship between government and rank-and-file police officers.
- 120. (C) Looming ominously is a potential shortfall regarding state civil servant salaries. With the reduction of the federal revenue allocation to the states due to diminished oil prices, some states will be hard-pressed to pay civil servant salaries in a few months. Affected civil servants in numerous states may strike. If so, the country may return to crisis mode, perhaps reviving calls for a nationwide strike especially now that organized labor is nursing a grudge. Several states face bankruptcy, having taken out loans during the days of 30-dollar oil that they cannot possibly repay with oil in the low 20s and fewer barrels being pumped.
- 121. (C) There is a growing sense that the average Nigerian is worse off now than in 1999, when oil prices were in the low teens. Coupled with liberal "official" overseas travel by politicians at all levels of government and the sudden affluence of many office-holders who were penurious three years ago, Nigerians are asking whether their "democracy dividend" has been used to unjustly enrich others.
- 122. (C) Driven by electoral considerations, the GON, unfortunately, seems poised to release large amounts of cash into the economy now that it has broken formally with the IMF (septel). While citizens may feel better for a few weeks, suffusing a low-productivity economy with more paper will likely produce a new surge in inflation and depreciation of the Naira unless interest rates (already above 40 percent) are tightened further. This scenario will make it much harder to generate the jobs and growth needed to genuinely improve living standards.
- 123. (C) Nigeria's governing elite continues to give little thought to the less fortunate. The very same week authorities bulldozed the ramshackle booths of petty traders at Wuse Market -- claiming to restore the integrity of the city's master plan, Senate President Anyim Pius Anyim started to build a townhouse development on land reserved as green space. Alerted to this incongruity, figures close to President Obasanjo said nothing could be done because Anyim is "someone we need very much." Even PDP Chairman Audu Ogbeh (protect) despaired of elite attitudes: "They think that once they have made it, then their brothers can just sleep (die or disappear)"
- 124. (C) The double standard is nothing new to Nigerians. Military figures were often more venal, but they were fewer in number and seemed less hypocritical because they never spoke to the public of the "benefits of democracy" while privately dipping their hands in the cookie jar. The country's elected elites and their hangers-on are far more numerous, causing many people to believe the total volume of graft exceeds that of the Abacha years. Moreover, the elected elites talk about democracy and transparency, and the apparent hypocrisy has given rise to seething anger in some areas. Some in the GON are working for transparency and good governance, but they must fight the ingrained bad habits of others. While Obasanjo seems to detest misappropriation and bribery generally, he ignores it when figures such as Works and Housing Minister Tony Anenih and Legislative Liaison Officer Esther Uduehi use them as

instruments to further his political objectives (see, for example, para 5). In large measure due to this ambivalent position, Obasanjo has been unable to make serious progress in his stated fight against official corruption.

The Military: Waiting in the Shadows

125. (C) Traditionally, the military has rationalized its takeovers as necessary to save the nation from the chaos of civilian incompetence and avarice. Despite the successive crises that have visited Nigeria recently, the military does not seem posed to takeover. Morale in the military is low and the officer corps are not united about the way forward. Many officers are against a return to military rule, and a public disillusioned by nearly two decades of military rule is not (yet) so fed up with elected civilians to accept the military's return. While the military may not be primed for a coup, all is far from well. There is significant grumbling about Government neglect of the soldiers yet relying on them as its last line of defense against communal violence. Events after the Ikeja explosion symbolize the estranged relationship between the military and the Administration. When Vice President Atiku Abubakar visited Ikeja, he was forced to leave after soldiers pelted his motorcade with water bags and debris. They were angry over the government's failure to respond to their emergency needs immediately after the tragedy. The offending unit was promptly rusticated. Almost anywhere in the world, but more so in a country with Nigeria's political history, soldiers throwing things at the nation's second highest office-holder is not a good sign.

LOOKING AHEAD

- 126. (C) Because Nigeria has not had a "new" crisis in the past few weeks, some of the high anxiety from the serial crises is wearing off. However, most Nigerians are acutely aware that their country is closer to the red zone than just a few months ago. Two big problems remain: 1) Electoral politics and fairness, and 2) Communal violence and internal insecurity. As noted earlier in this message, these two issues are inter-related. Because elections are now just one year away, time is precious. Unless the GON can get a grip on both of these problems, more violence and political malaise will be difficult to prevent.
- (C) Because this Administration is the first adult experience with civilian democracy for much of the populace, may not be able to differentiate between Nigeria's democratic institutions and the flawed people now debasing them. The return of civilian rule has been replaced by widespread frustration over the lack of manifest democracy dividends. The trials of the past few months have tested public faith in democracy. While few (yet) want to see a return to military rule, each new GON misstep incrementally increases the number of people who write off the Obasanjo Administration. The possibility of a military self-reintroduction into politics is inversely proportionate to popular support for civilian government The great risk is that continued failures and missteps will increase the (still-minimal) numbers who question whether Nigeria is a viable host for democratic government. ANDREWS